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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

2007 OCT 23 A 11: 38

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MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

OCT 23 2007

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IN THE MATTER OF THE APPLICATION OF
PINE WATER COMPANY FOR APPROVAL TO
(1) ENCUMBER A PART OF ITS PLANT AND
SYSTEM PURSUANT TO A.R.S. §40-285(A);
AND (2) ISSUE EVIDENCE OF INDEBTEDNESS
PURSUANT TO A.R.S. §40-302(A).

DOCKET NO. W-03512A-07-0362

PROCEDURAL ORDER

BY THE COMMISSION:

On June 11, 2007, Pine Water Company ("PWC" or "Company") filed with the Arizona Corporation Commission ("Commission") an application seeking approval to (1) encumber a part of its plant and system pursuant to A.R.S. §40-285(A); and (2) issue evidence of indebtedness pursuant to A.R.S. §40-302(A).

The Company's application is related to a Joint Well Development Agreement ("Agreement") entered into between PWC and the Pine-Strawberry Water Improvement District ("PSWID"). According to the application, the Agreement provides, among other things, that PWC would enter into a contingent indebtedness with PSWID in the amount of \$300,000, for costs related to drilling a deep well at the K2 well site, and that PWC's assets would be encumbered in a like amount.

A number of public comment letters have been filed to date in this docket, mostly concerning opinions about the K2 well site.

On July 12, 2007, Commissioner Mayes filed a letter in the docket stating that a hearing should be held on PWC's application.

On August 22, 2007, Commissioner Mayes filed a second letter suggesting that a public comment hearing should be scheduled in the Pine or Strawberry communities regarding the K2 well proposal.

On September 7, 2007, the Commission's Utilities Division Staff ("Staff") filed a Staff Report

1 recommending approval of the application.

2 By Procedural Order issued September 14, 2007, a hearing was scheduled for October 15,
3 2007, and the Company was directed to mail and publish notice of the hearing.

4 On September 18, 2007, PWC filed a Request to Change Schedule due to unavailability of the
5 Company's counsel on the scheduled hearing date.

6 On September 19, 2007, a Procedural Order was issued rescheduling the hearing for October
7 26, 2007, and directing the Company to amend the public notice accordingly.

8 On September 26, 2007, PWC filed its Response to Staff Report.

9 On October 18, 2007, the Commission issued notice of a Special Open Meeting to be held
10 December 4, 2007, in Pine, Arizona, for the purpose of taking public comments regarding this matter.

11 IT IS THEREFORE ORDERED that **public comments on the above-captioned matter will**
12 **be taken at the following location on the date and time indicated below:**

13 **Tuesday, December 4, 2007 at 6:30 p.m.**
14 **Pine Elementary School**
15 **3868 N. Pine Creek Drive**
Pine, AZ 85544

16 IT IS FURTHER ORDERED that the Company shall provide public notice of the public
17 comment session, in no less than 10 point font, in the following form and style:

18 **SPECIAL OPEN MEETING OF THE ARIZONA CORPORATION COMMISSION FOR**
19 **THE PURPOSE OF TAKING PUBLIC COMMENTS REGARDING THE**
20 **APPLICATION OF PINE WATER COMPANY TO ENCUMBER ASSETS AND ISSUE**
EVIDENCE OF INDEBTEDNESS
DOCKET NO. W-03512A-07-0362

21 On June 11, 2007, Pine Water Company ("PWC" or "Company") filed with the
22 Arizona Corporation Commission ("Commission") an application seeking approval to
23 (1) encumber a part of its plant and system pursuant to A.R.S. §40-285(A); and (2)
24 issue evidence of indebtedness pursuant to A.R.S. §40-302(A). The Company's
25 application is related to a Joint Well Development Agreement ("Agreement") entered
26 into between PWC and the Pine-Strawberry Water Improvement District ("PSWID").
27 According to the application, the Agreement provides, among other things, that PWC
28 would enter into a contingent indebtedness with PSWID in the amount of \$300,000,
for costs related to drilling a deep well at the K2 well site, and that PWC's assets
would be encumbered in a like amount.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, voice phone number 602/542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that the Company shall file certification of mailing/publication as soon as practical after the mailing has been completed.

IT IS FURTHER ORDERED that the ex parte rule (A.A.C. R14-3-113 – Unauthorized Communications) applies to this proceeding as the matter is now set for public hearing.

DATED this 23rd day of October, 2007

DWIGHT D. NODES
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/delivered
this 23rd day of October, 2007 to:

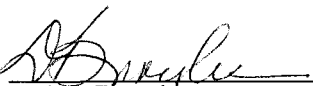
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Utilities Division
14 ARIZONA CORPORATION COMMISSION
1200 West Washington
15 Phoenix, AZ 85007

16 ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
17 Phoenix, AZ 85004

18
19 By: 
Debra Broyles
20 Secretary to Dwight D. Nodes
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